

Minutes of the Meeting of April 28, 2017

of the

MASSACHUSETTS TEACHERS' RETIREMENT BOARD

I. Regular Matters of Business

In attendance at this regular meeting of the Massachusetts Teachers' Retirement Board ("the Board") were Chairman Jeff Wulfson, Vice Chair Nicola Favorito, Jacqueline A. Gorrie, Richard L. Liston, Dennis J. Naughton, Joannah M. Quinn, Anne Wass, Executive Director Erika Glaster, Assistant Executive Director Sean Neilon, Assistant Executive Director Jon Osimo, General Counsel James Salvie, Disability Case Manager Salvatore Coco and Executive Assistant Helen PetruzzIELLO. Mr. Favorito had indicated that he would be arriving late.

The meeting was called to order at approximately 9:01 a.m.

The minutes of the previous Board meeting, held on March 31, 2017, were reviewed and approved as submitted on a motion made by Mr. Liston and seconded by Ms. Wass. The motion carried 5-0-1 with Mr. Naughton abstaining due to his absence from the March board meeting.

VOTED: The Open and Executive minutes of the Board meeting held on March 31, 2017, are hereby approved as submitted.

II. Executive Session

A motion was made by Ms. Wass, and seconded by Mr. Liston, to enter into executive session in order to review applications for disability retirement. On roll call, the vote was as follows:

VOTED: Jacqueline A. Gorrie	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Joannah M. Quinn	Yes

Chairman Jeff Wulfson Yes

At approximately 9:01 a.m. the Board went into Executive Session. The Chairman stated that the Board would return to Open Session.

Mr. Favorito arrived at approximately 9:02 a.m.

At approximately 10:42 a.m. the Board reconvened in Open Session.

III. Open Session

A. 807 CMR 7.00: DOCUMENTATION TO BE OBTAINED FOR ORDINARY OR ACCIDENTAL DISABILITY RETIREMENT

Mr. Salvie notified the Board that a red-lined version of the proposed amendments to 807 CMR 7.00, *Disability Regulation*, which allowed for a “grace period” for members in filing the statement of applicant’s physician form of a disability application per MTA Attorney Rich Mullane’s recommendation at the January 2017 board meeting, was reviewed by the Public Employee Retirement Administration Commission (“PERAC”). He reported that PERAC’s General Counsel John Parsons had advised him that PERAC would reject the proposed amendment, stating it would violate a PERAC regulation, as Mr. Favorito had predicted at the January meeting. Board staff will notify Mr. Mullane of this development.

B. PROPOSAL FOR FIDUCIARY COUNSEL

Mr. Salvie provided an overview and answered questions regarding a line item in the FY 2018 budget proposal to retain an independent fiduciary counsel. The counsel would outline for the Board its obligations and possible actions to address system funding. Mr. Salvie addressed questions from the Board on the approval process and Mr. Neilon answered questions regarding the procurement process.

C. REQUEST FOR APPROVAL OF OUT OF STATE TRAVEL FOR EXECUTIVE DIRECTOR

Pursuant to the provisions of the MTRS Official Travel Policy, Ms. Glaster requested the Board's approval to attend the NPEA Spring Board Meeting in Denver, Colorado from May 19th to May 22nd, stating that the airfare, ground transport, hotel and meal expenses are paid by the NPEA. On a motion made by Ms. Wass, and seconded by Ms. Gorrie, the Board voted 7-0 to approve the out of state travel of the Executive Director.

D. PRIT UPDATE

Mr. Naughton explained that, due to a shift in the Pension Reserves Investment Management ("PRIM") meeting schedule, he didn't have an update to provide to the board at this time but will make the board aware of any developments. He noted that the PRIM Election will be over by May 10th, deadline for voting is May 9th.

E. EXECUTIVE DIRECTOR'S REPORT

1. Ms. Glaster noted that included in the board materials this month was a compilation of dates for upcoming events for assistance in scheduling for board members, and a reminder of the board members' obligation to file their individual Statement of Financial Interests with PERAC by May 1st.
2. Ms. Glaster distributed the schedule for the upcoming employer training programs, resuming after a break of several years, being held at various locations throughout the state and commended Mr. Neilon's team in producing the program. She also noted that the schedule of the upcoming *"Your MTRS Benefits"* seminars was included in Mr. Osimo's member services quarterly report and encouraged board members to attend any of these seminars.
3. In addition, Ms. Glaster distributed copies of webpages from the Pioneer Institute's re-launched website (Masspensions.com) in which the MTRS and the Massachusetts State Employees' Retirement System ("MSERS") each received a grade of "F" on system funding, recalling for the Board that a couple weeks prior the Pioneer Institute had identified MTRS and MSERS as cost effective systems.

4. Ms. Glaster reported that, along with Mr. Osimo and Mr. Neilon, she attended the Comptroller's Leadership Summit earlier in the week, which included speeches from the Governor, State Treasurer, State Auditor, State Comptroller, head of MassIT, as well as two Harvard professors. The theme centered on interconnected state government, taking advantage of technological advancement with a major focus on cyber security.
5. Ms. Glaster reported that she had recently invited Ann Clarke, Executive Director-Treasurer of the Massachusetts Teachers Association ("MTA"), for lunch and discussed system funding issues, actuarial assumptions, legislative priorities and certain legal cases that the MTA's General Counsel had requested Ms. Clarke to raise. They agreed to meet approximately twice a year, and Ms. Clarke expressed interest in attending the Board's Annual Constituent Forum. Upon the suggestion of Chairman Wulfson, Ms. Glaster indicated that she will reach out to the American Federation of Teachers-MA ("AFTMA") as well to arrange for a similar meeting.
6. Ms. Glaster provided an update on the status of the 1099/Benefit Verification process, reporting that 93% of the benefit recipients have returned their forms and that a second mailing had been sent out to the non-responders with a due date of May 19th. She further explained that a final mailing will be made in June with non-responders' checks being pulled in July, however taxes and insurance deductions will continue to be made.
7. Ms. Glaster encouraged the board members to take a walk after the board meeting to see the original art work contributions from staff members and/or their family members on display throughout the office space. She explained that she had put out a request to the entire agency for original artwork to help fill the walls of the new office. Additionally, she added that the agency held an open house on Friday, April 14th so that family members could come in and see the new office and their work on display.
8. Ms. Glaster distributed the proposed FY 2018 operational budget for the board members to review in advance of the discussion and her request for approval at the May board meeting. She further explained that the proposed budget represents an overall increase of 1.5%, which will require a 30-day review by the Legislature.
9. Ms. Glaster extended an invitation to any interested board members to stay after the board meeting for a brief orientation session on *PROSPER*, PERAC's new online application for the state's retirement boards.

Chairman Wulfson announced that he would be forwarding the Executive Director's performance evaluation review forms to each Board member for their assessment, which he will compile for her evaluation at a future board meeting.

On a motion made by Mr. Naughton and seconded by Ms. Wass, the Board voted unanimously to adjourn the meeting at approximately 11:05 a.m.

Respectfully submitted,

Erika M. Glaster, Executive Director

Date

Documents used in MTRS Board meeting of April 28, 2017

- Agenda for April 28, 2017 MTRS Board meeting
- Cover letter from Executive Director
- Open minutes and executive minutes of March 31, 2017 MTRS Board meeting
- Memorandum and supporting documents pertaining to Proposed Amendments to 807 CMR 7.00, Disability Regulation
- Memorandum pertaining to Fiduciary questions
- Memorandum pertaining to Out-of-State travel request for Executive Director